



MILLENNIUM CHALLENGE CORPORATION

REDUCING POVERTY THROUGH GROWTH

MCC Board of Directors

U.S. Government:

- Secretary of State, Chair
- Secretary of Treasury, Vice-Chair
- United States Trade Representative (USTR)
- United States Agency for International Development (USAID) Administrator
- MCC Chief Executive Officer

Public Members:

- Mr. Lorne Craner, International Republican Institute
- The Honorable William Frist
- Mr. Kenneth Hackett, Catholic Relief Services
- Mr. Alan Patricof, Greycroft, LLC

Three Core Principles



1. Good Policies Matter
2. Country Ownership
3. Focus on Results

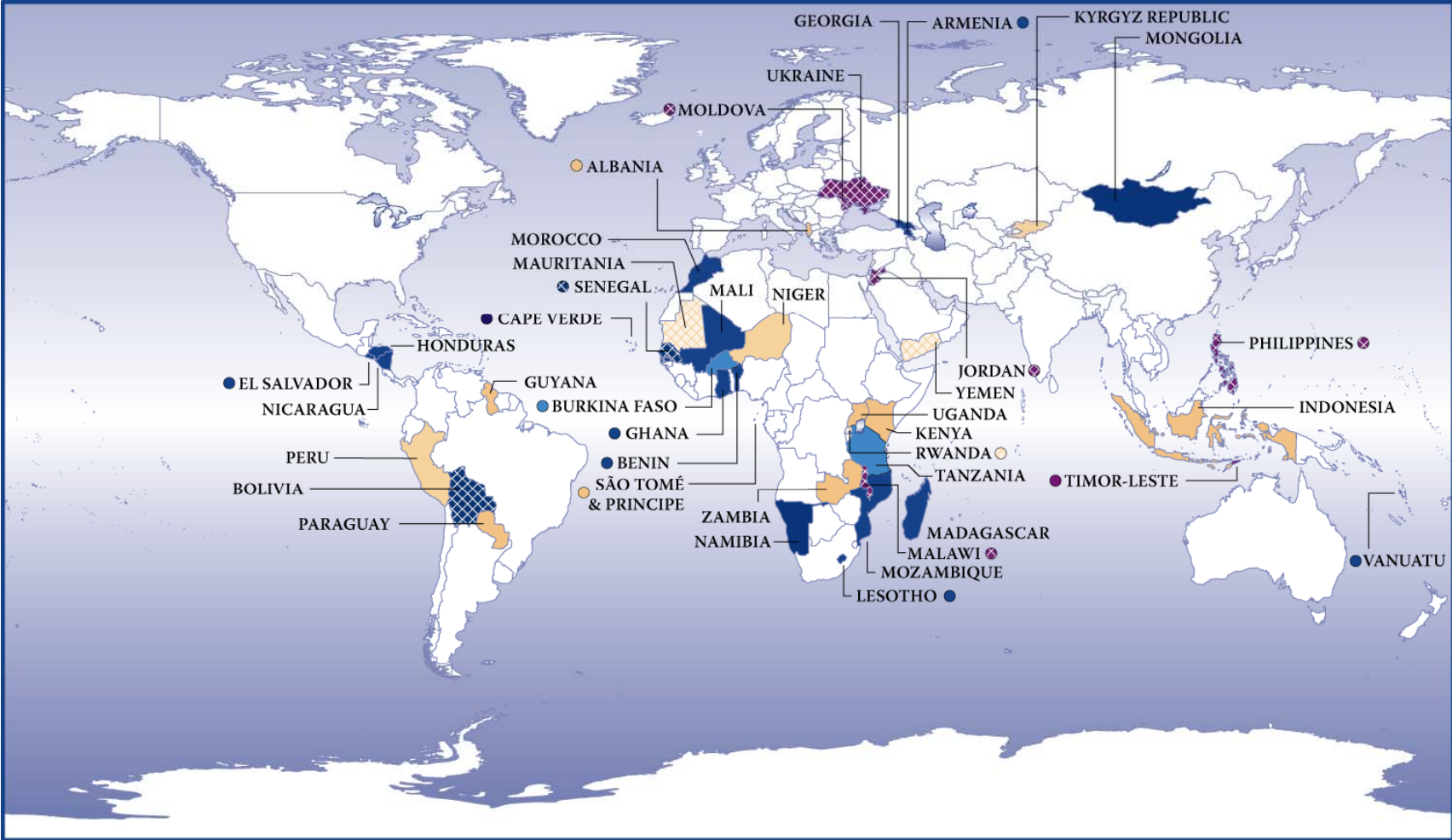
1. Policy Performance

MCC Funding is Performance-Based

- MCC selects countries eligible for Compact assistance based on their performance on third-party policy indicators
- Categories of Policy Indicators:
 - Ruling Justly
 - Investing in People
 - Economic Freedom



MCC Eligibility FY 2004-08



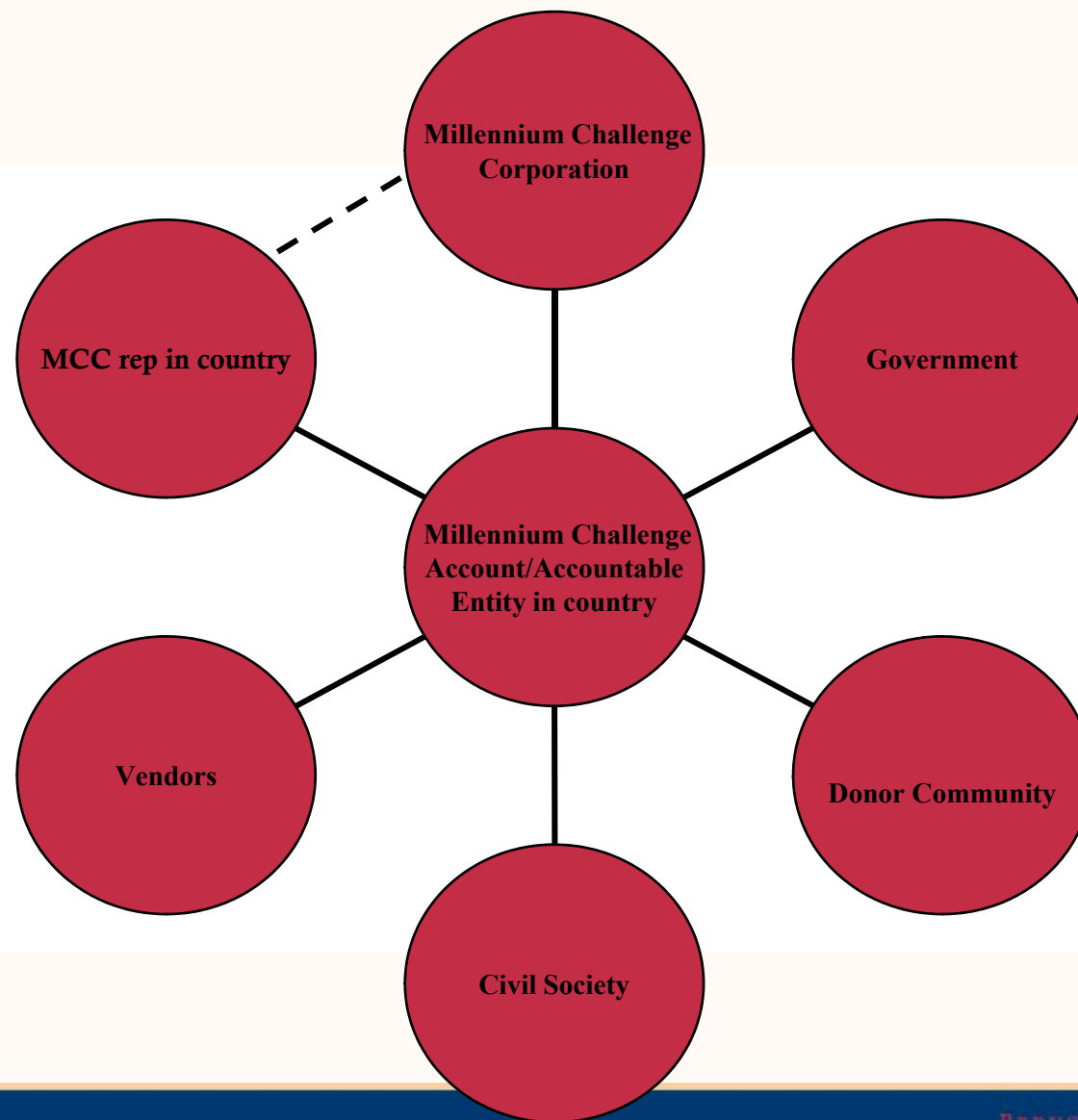
Updated 07.28.08

2. Country Ownership



- Eligible countries determine their own priorities and develop their own proposals for MCC funding, through a broad consultative process including civil society and private sector.
- Countries implement their compacts.

MCC/MCA Relationship



3. MCC's Focus on Results

Economic Assessment – ERR Analysis

- To make sure that the program is logically coherent and its components are necessary and sufficient to accelerate economic growth
- To calculate *ex-ante* the Economic Rate of Return (ERR) and poverty impact for program components

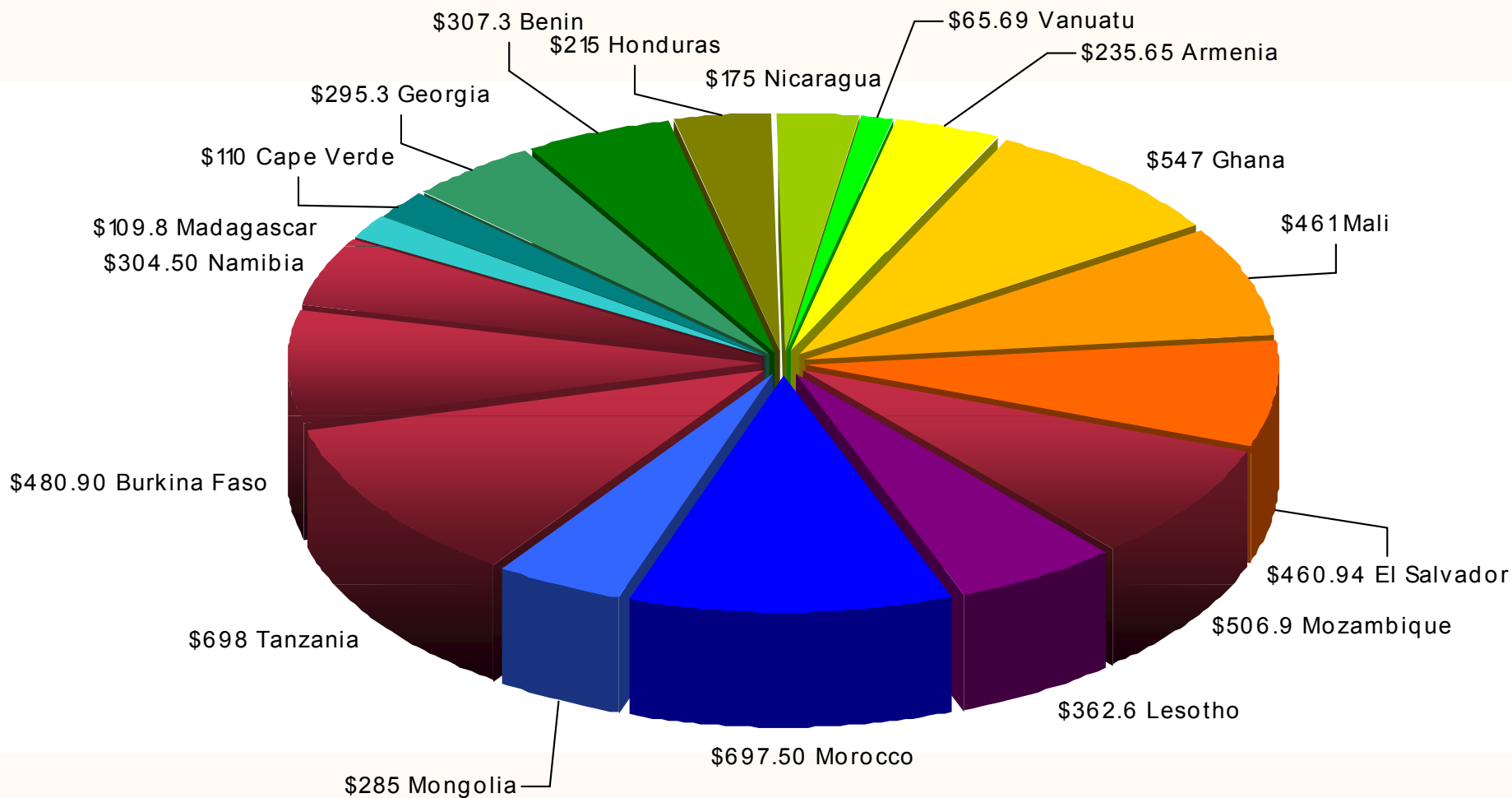
Performance Monitoring – M&E Plan

- To collect performance data for better management of the program and to trigger future disbursements
- To report to constituencies on progress achieved in reaching the program's goal

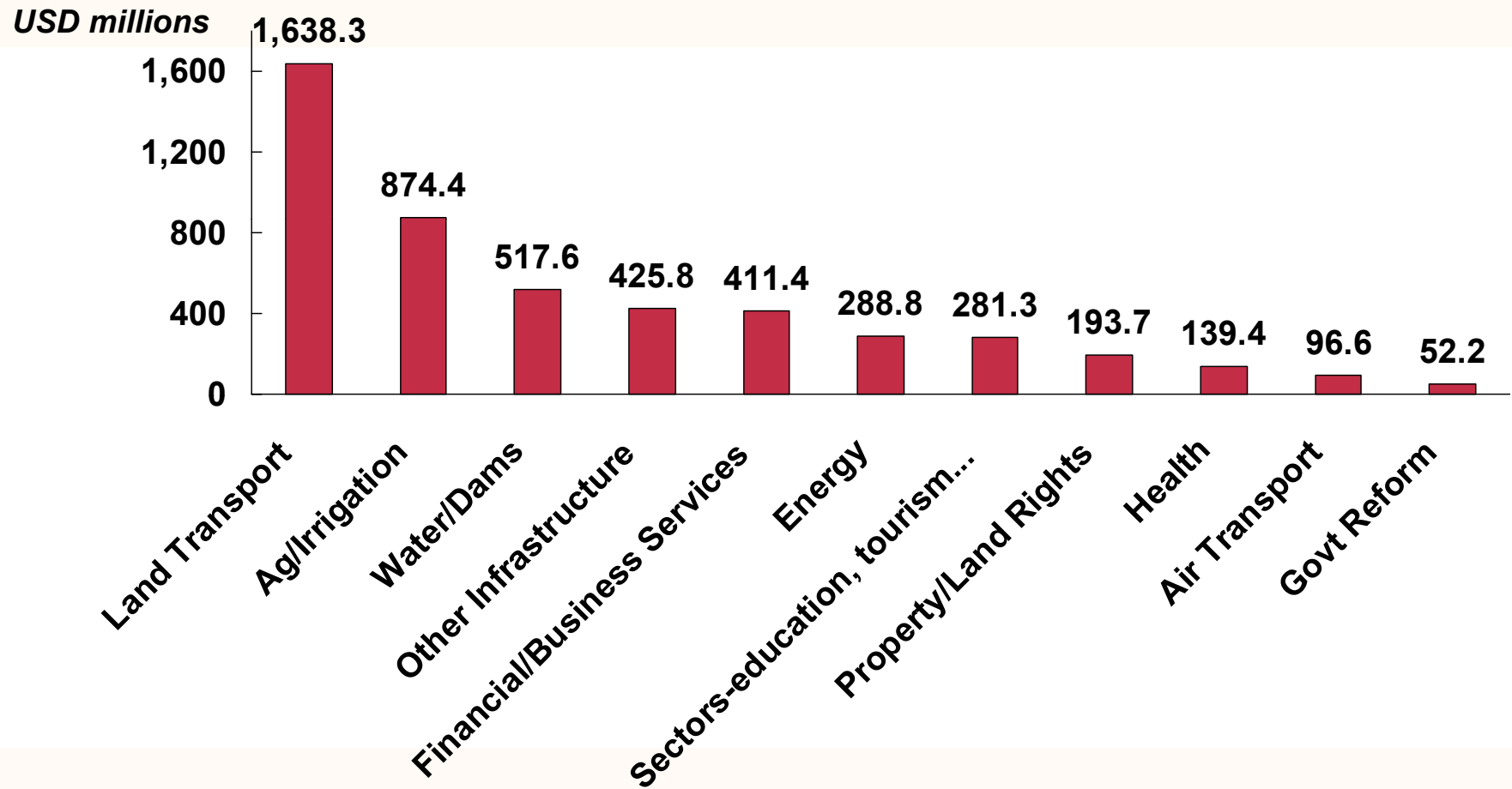
Impact Evaluation – Evaluation methodology

- To measure *ex-post*, in a statistically valid way, the program's impact on growth and poverty
- To provide evidence of program and activity effectiveness and
- To learn lessons for future programs and test assumptions

Over \$6.3 billion in Signed Compacts



MCC Funding by Sector



Where is MCC today?

- ✓ 18 Compacts signed with over \$6.3 billion committed in compact funding
- ✓ 18 Threshold agreements signed with \$400 million committed
- ✓ Focused on implementation and results
- ✓ Countries eligible for FY'09 assistance:
Bolivia, East Timor, Jordan, Malawi,
Moldova, Philippines, Senegal, Ukraine

For more information

Please visit:

www.mcc.gov